

## **FISCAL NOTE**

### **HB 3437 - SB 3959**

March 28, 2006

**SUMMARY OF BILL:** Establishes a lottery funded grant program to partially reimburse employers paying tuition and mandatory fees for students finishing baccalaureate degrees who are full-time employees of businesses with less than 100 employees.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by approximately \$23,411,000 for FY06-07 and approximately \$24,581,000 in FY07-08.**

#### Assumptions:

- In FY06-07 the number of businesses that would receive the grant award for their employee/students is estimated to be 10,059.
- The tuition discount amount from lottery proceeds per award is estimated to be \$2,325 or 50% of the average tuition amount at a 4-year higher education institution ( $\$2,325 \times 10,059 = \$23,387,175$ .)
- In FY07-08 the number of businesses that would receive the grant award for their employee/students is estimated to be 10,562 projecting a 5% increase over the previous year ( $\$2,325 \times 10,562 = \$24,556,650$ ).
- This estimate assumes no increase in tuition rates.
- Since this is a new program, additional staffing costs are estimated to be approximately \$24,000 for a part-time employee at TSAC.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director